

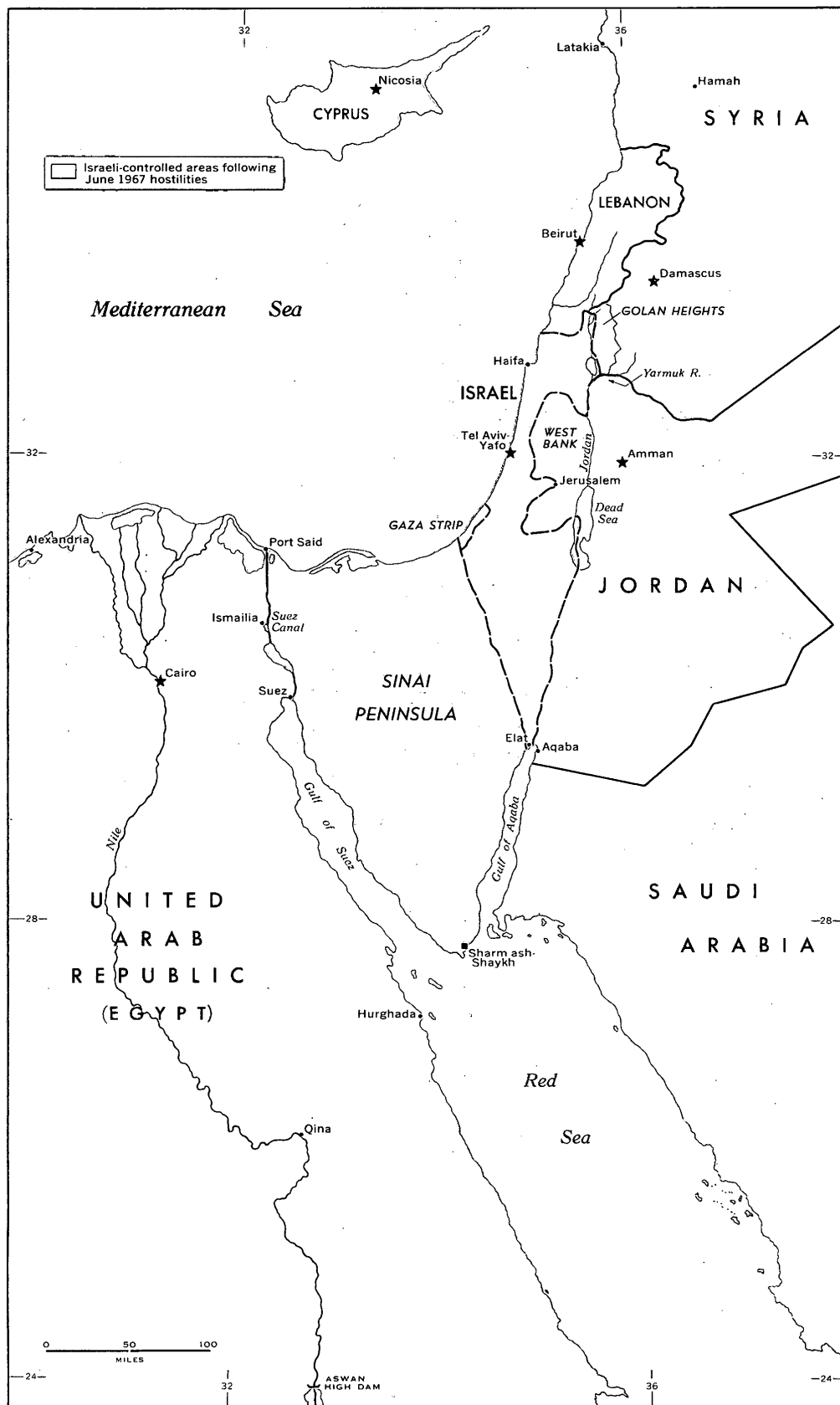
The President's Daily Brief

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22 January 1969

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~~Top Secret~~



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I. MAJOR PROBLEMS

MIDDLE EAST

Israel is taking strong exception to a speech Nasir gave to the Arab Socialist Union Monday. Even though Nasir reaffirmed Egypt's acceptance of the UN Security Council resolution of 22 November 1967, Foreign Minister Eban said the speech "rejected each and every principle of that resolution." Prime Minister Eshkol complained that the speech has "made prospects of rapprochement remote," since it showed that the Arabs have not changed their ultimate objective of destroying Israel.

The speech actually was fairly standard Nasir fare. He emphasized the need for Arab preparedness and promised once again Egypt's support of Jarring's peace efforts. Nasir also played on two perennial Arab themes--support for the fedayeen terrorists and refusal to negotiate with an occupying enemy. In contrast to the Cairo press, the Egyptian leader eschewed mention of the US response to the Soviet note, clearly to avoid prejudicing relations with the new administration.

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The US Embassy in Tel Aviv reports that Deputy Prime Minister Allon is unhappy about being by-passed by Eshkol in the cabinet decision-making process. He fears a rapprochement between Eshkol and Minister of Defense Dayan. Allon has resigned from two of his lesser government posts, although for the moment at least he will keep his principal job.

At the root of the problem are the competing ambitions of Dayan and Allon to succeed Eshkol. (We expect Eshkol to stay in power through 1970, at least.) The prime minister has tried to maintain a precarious balance in Israel's unwieldy coalition cabinet by playing off Dayan and Allon and respective factions against each other. We suspect that Eshkol will manage to smooth over his difficulties with Allon this time, but the affair is illustrative of the chronic infighting in the Israeli cabinet which complicates the problem of fathoming Israeli intentions. Dayan takes a considerably harder line toward the Arabs than Allon.

EUROPE

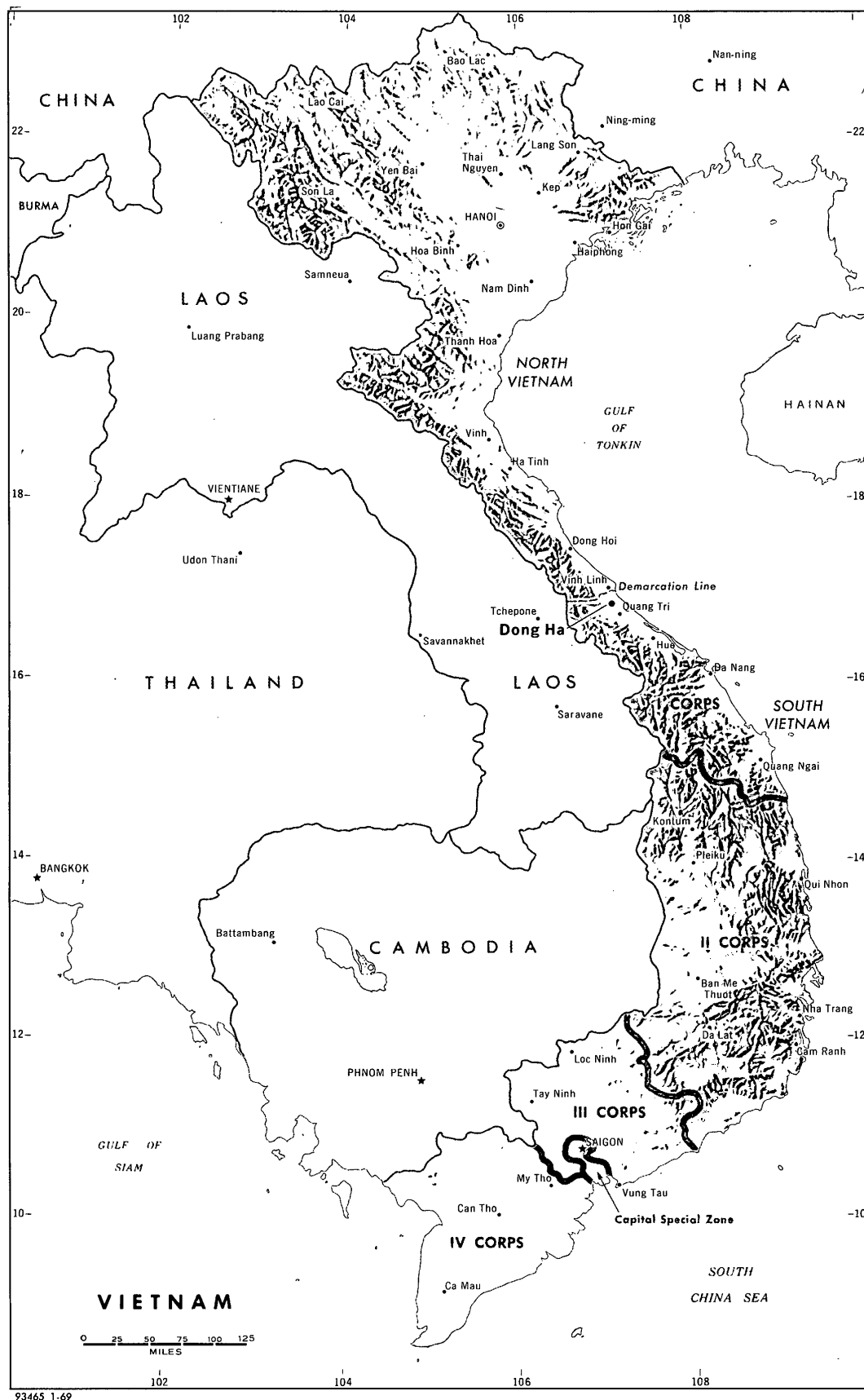
Nothing of significance to report.

SOVIET AFFAIRS

Prague was quiet today, but indications are growing that Saturday's funeral of the first young man who burned himself to death will turn into a serious anti-Soviet demonstration, perhaps even as early as Friday when the coffin is put on public view. In the meantime, a fourth person has attempted to take his life by fire.

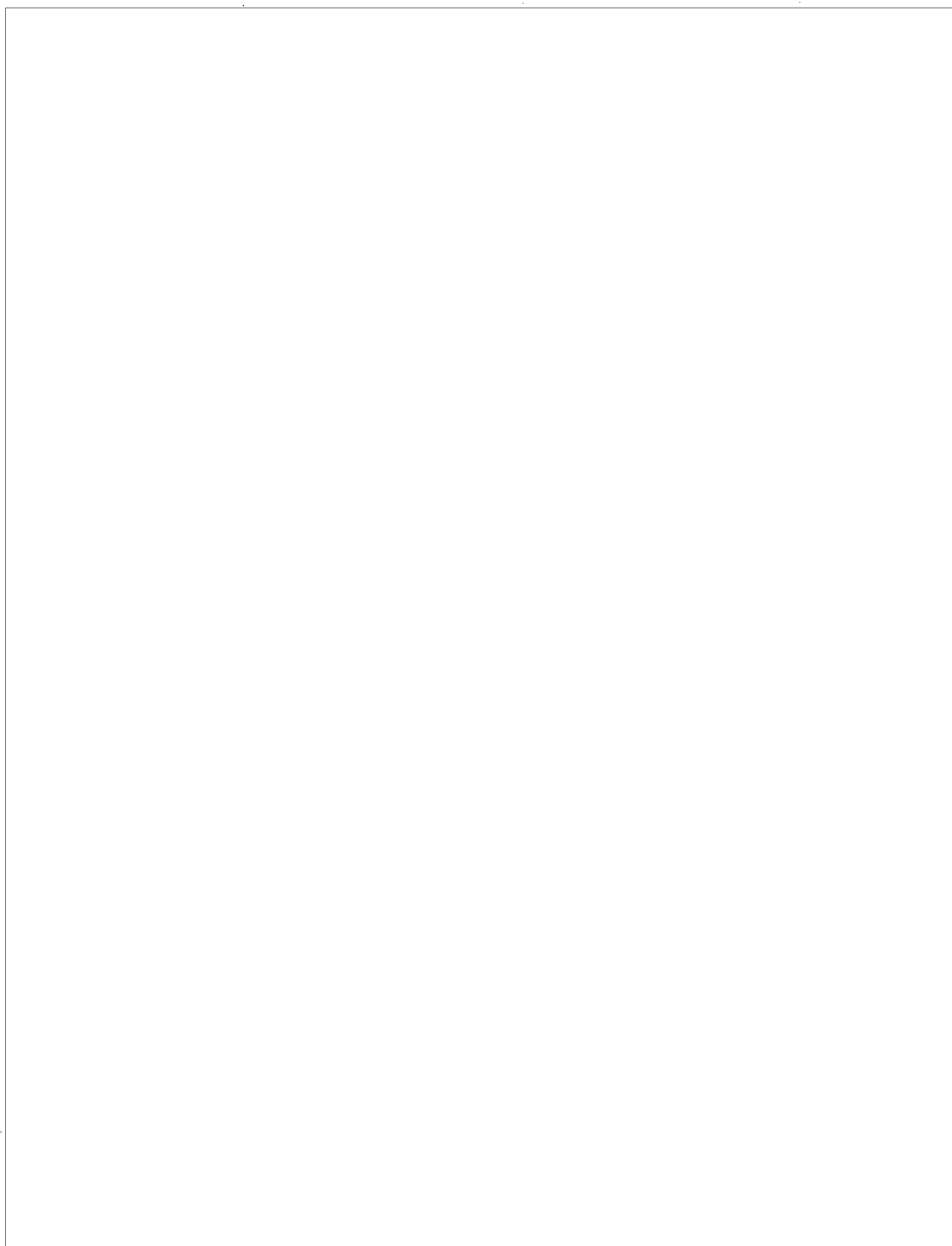
Czechoslovak President Svoboda, who still retains the trust of the people, went on national television today to urge moderation "while there is still time" and to "indicate frankly the seriousness of the situation." He literally begged his live audience of trade unionists to turn their support back to the party's leaders, implying that the workers should ignore the student dissidents.

Svoboda failed to repeat the harsh threats of repression uttered by Premier Cernik on 21 January. He avoided Cernik's condemnation of youthful demonstrators as anti-Communists, and instead tried to be conciliatory. He added weight to his words by announcing he was speaking also for party chief Dubcek, who was home in Bratislava with a cold.

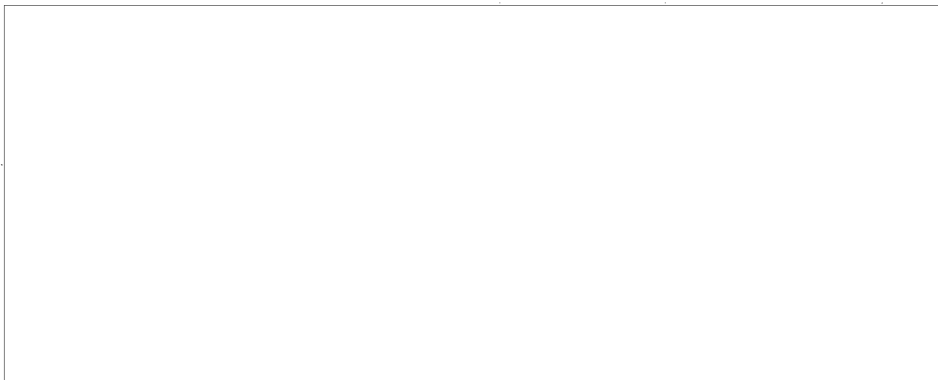


VIETNAM

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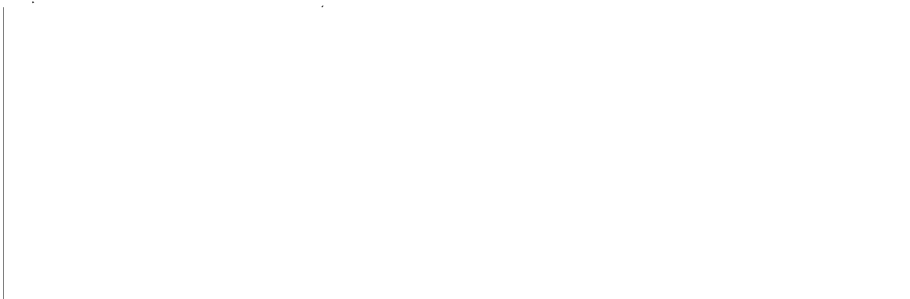
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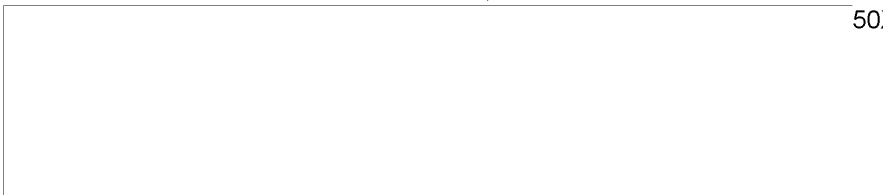
Several major allied positions, including the Da Nang airbase, were hit by Communist rocket and mortar fire on 21-22 January. In general, however, the pace of military activity slackened over the previous day.

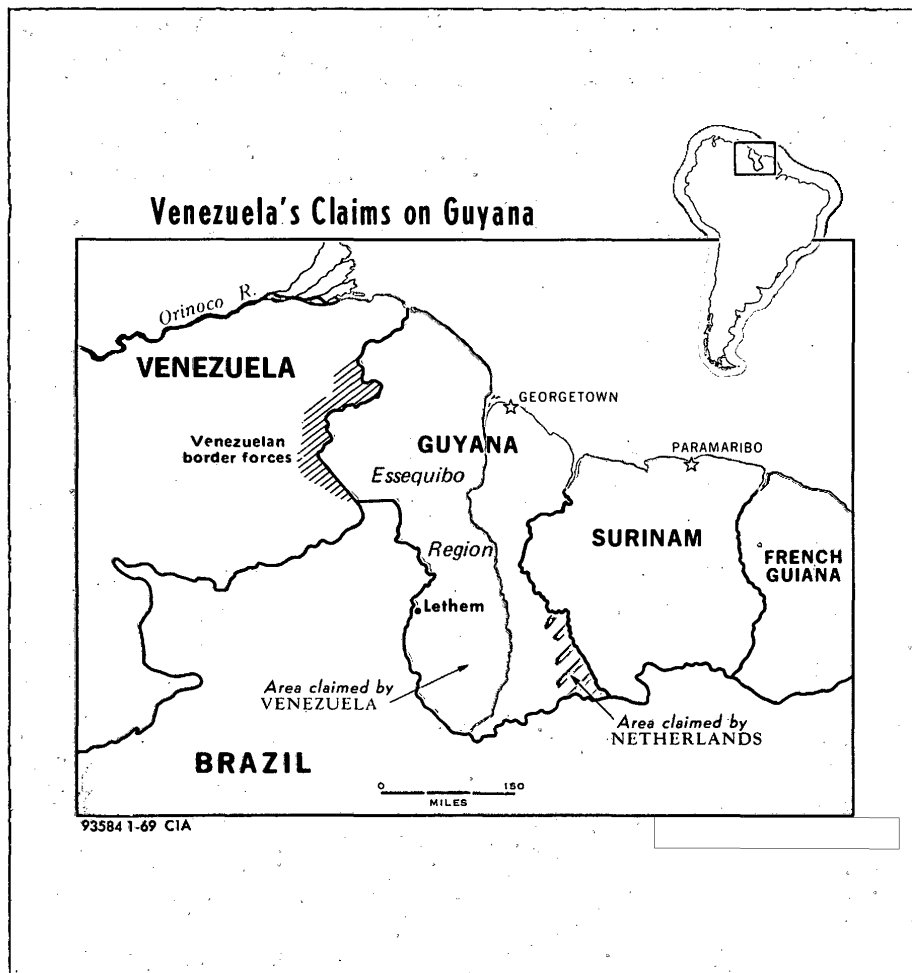
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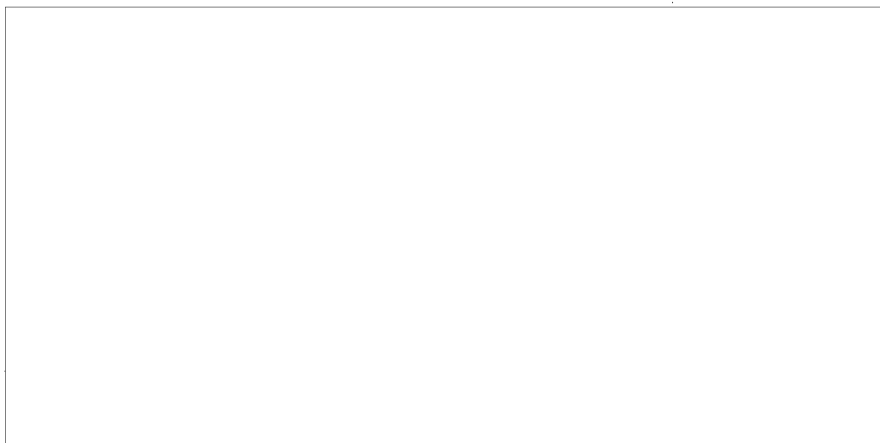
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II. OTHER IMPORTANT DEVELOPMENTS

VENEZUELA-GUYANA

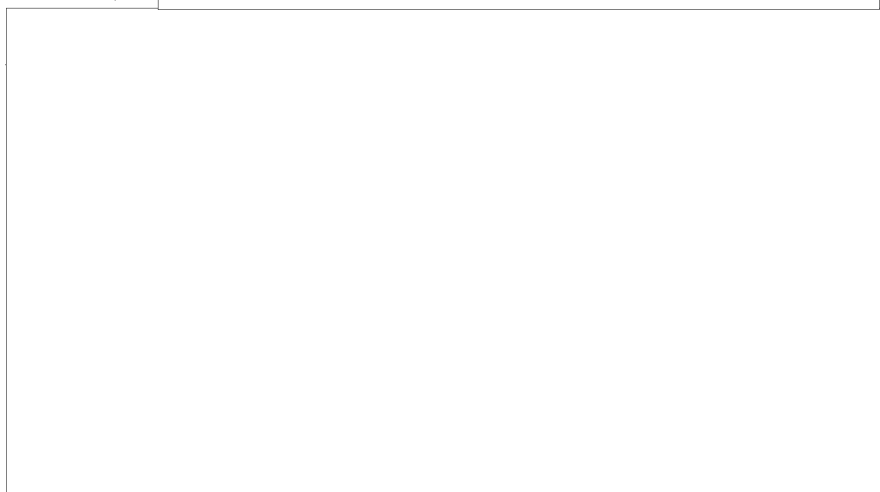
The US may soon be faced with choosing between
friends as Venezuelan officials
 to press their claim on the Essequibo region of
Guyana.

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President-elect Caldera's silence on the border dispute may have sharpened fears by military and political groups in the lame-duck Leoni administration that Caldera will not press Venezuela's claim as vigorously as they have done. Recent moves by these groups may have been intended to tie Caldera's hands when he assumes the presidency in March.

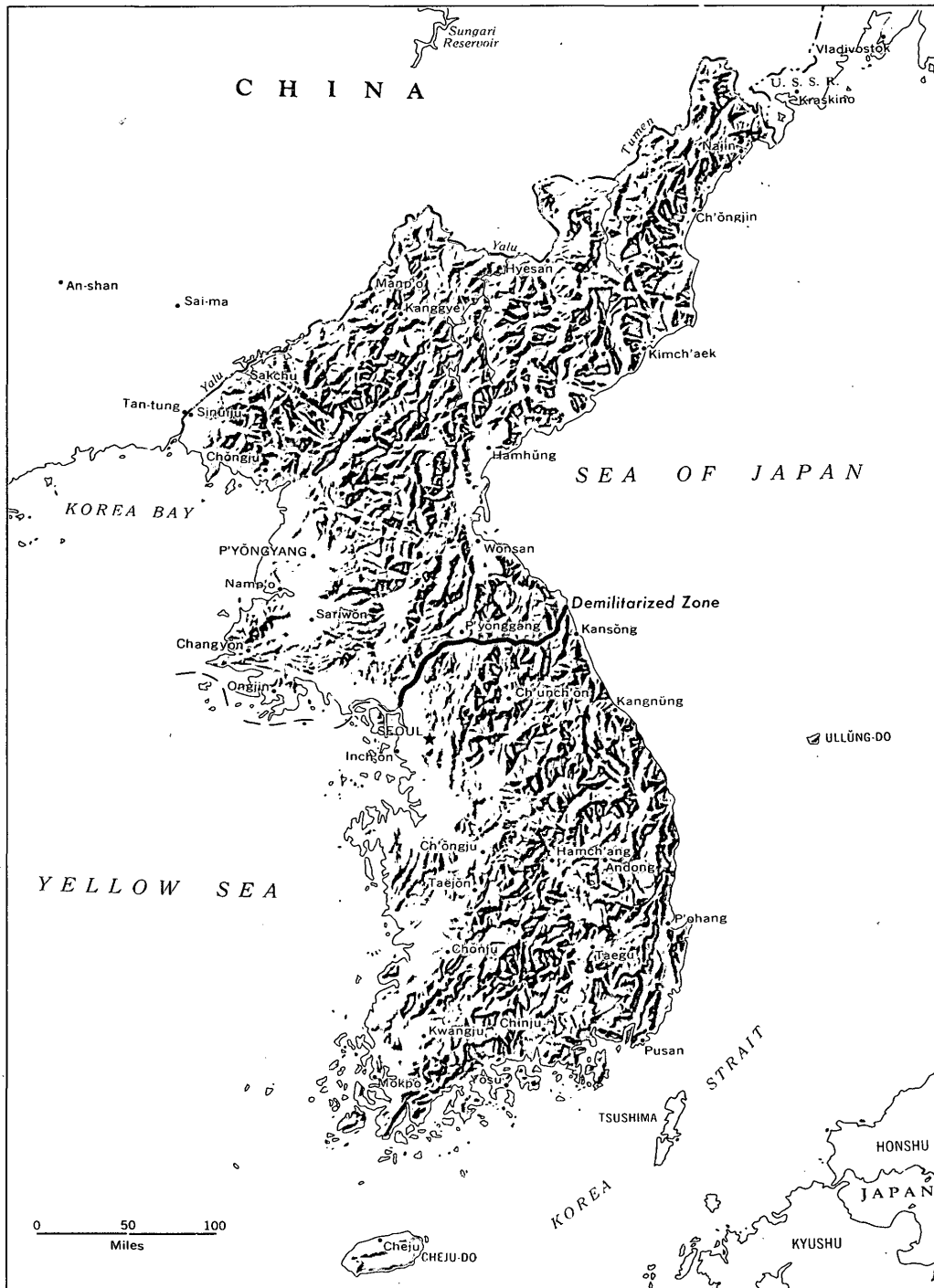
KOREA

Today's Annex is a discussion of North Korean pressures on the South.

COMMUNIST CHINA

Peking yesterday issued another blast at President Nixon's administration. The content was essentially similar to earlier statements about the previous US administration.

KOREA



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FOR THE PRESIDENT ONLY

NORTH KOREAN PRESSURES ON THE SOUTH

SIGNIFICANCE: The mounting North Korean pressures of armed harassment and terrorism against the South hold considerable potential for straining relations between Seoul and Washington as South Korea seeks to ensure a high level of US political and material commitment to its security. At worst, North Korean pressures, especially if large-scale paramilitary raids continue, could cause South Korean retaliation in kind and thus risk escalation into conventional warfare involving US forces stationed in Korea.

* * *

South Korea is now faced with the most formidable North Korean pressures and harassment since the 1953 armistice. The Communists are increasing their forays across the Demilitarized Zone and infiltrating armed agents deep into the South. Their short-term aim probably is to probe for vulnerabilities in South Korea's defenses which might be exploited in the future to disrupt the nation's political and economic stability and shake public confidence in the Seoul government. The North Koreans almost certainly believe that these subversive pressures will also generate serious frictions between Seoul and Washington over measures to meet the threat.

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We believe that North Korea's long-range goal is to unify the peninsula under its control. Pyongyang's tactics over the past two years have been aimed at achieving what it probably regards as the indispensable condition for advancing toward this goal--building a strong subversive apparatus in the South and initiating an armed guerrilla movement against the South Korean Government. In launching their campaign of harassment and terrorism in the fall of 1966, the North Koreans probably calculated that the US was too heavily committed in Vietnam to undertake major counteraction in Korea.

North Korea's capability for agent operations and sabotage in the South has substantially increased during the past year.

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The level of violence on the peninsula has steadily increased over the past two years. The assassination attempt against South Korean President Pak in January 1968 and the sea infiltration of over one hundred armed guerrillas in November are only the more dramatic aspects of a generally more aggressive North Korean posture.

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Pyongyang's policy seems designed to avoid the risk of open aggression. North Korea's formidable conventional military capability appears designed primarily for defensive purposes and places a heavy emphasis on underground location of strategic facilities and a comprehensive air defense system. This fortress-state mentality accentuates the North Koreans' confidence that they can engage in a war of subversion with relative impunity.

Pyongyang's campaign has had little success to date, but it has heightened South Korean anxieties about the availability of greater American military, political and economic support. Despite the generally strong anti-Communist attitude of the South Korean population, concern has been expressed in official circles over the possible cumulative effect of North Korean raids in arousing public fears. Suspicion has also been kindled outside the government that broadened security measures will be used to suppress legitimate criticism of the regime and to rig the 1971 election to assure a third term for President Pak.

Seoul, with US assistance, is reacting sharply to cope with the growing infiltration threat, and has been quick to perceive the need to remedy shortcomings in its security performance. Nevertheless, the emergence of larger-scale North Korean guerrilla warfare would sorely tax the country's resources, causing massive diversion of personnel and imposing severe financial burdens. Additionally, the prospect

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of extensive sabotage could discourage foreign investors, depriving the economy of needed capital and slowing the country's economic growth on which public acceptance of the Seoul government largely depends.

There is danger that pressures on President Pak--particularly from his military supporters--to retaliate in kind against North Korean forays could lead to encounters that might at some point involve the two US combat divisions stationed in Korea.

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On the other hand, US efforts to discourage retaliation in the face of continuing South Korean losses from North Korean harassment could produce serious strains in US - South Korean relations, particularly if Seoul felt that US political and material support was inadequate.

The larger the threat looms from the North, the greater the pressures South Korea will put on the US for additional assistance. Seoul already is pressing for changes in the

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US - South Korean mutual defense treaty to provide for automatic US retaliation in the event of an outright Communist military attack. South Korea is also seeking modern military equipment, an upgrading of its navy and air force, and the continued presence of large-scale US military forces in Korea. It would react with dismay to any indication of a possible reduction in either US presence or determination in Korea.

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